



## **SCHEDULE 2D**

### **TAXATION – PARTNERSHIPS**

This schedule of services should be read in conjunction with the engagement letter and the terms of business.

#### **1 RESPONSIBILITIES AND SCOPE FOR PARTNERSHIP TAX SERVICES**

##### **1.1 Recurring compliance work**

- 1.1.1 We will prepare the partnership self assessment tax returns and the annual partnership statements, together with any supplementary pages required, from the information and explanations that the partnership provides to us. After obtaining your evidenced approval we will submit these to HMRC.
- 1.1.2 Where instructed by you we will prepare the partnership business accounts from the books, accounting records and other information and explanations provided to us by you or by others on your behalf. This work may be subject to a separate schedule.
- 1.1.3 We will prepare the income tax and capital gains tax computations based on the partnership's business accounts for inclusion in the partnership tax return.
- 1.1.4 If instructed by you, we will advise you as partners on possible partnership tax-return-related claims and elections arising from information supplied by the partnership in the form and manner required by HMRC.
- 1.1.5 If instructed, we will provide each partner, or their agent, with details of the partner's allocations from the return based on the partnership statement to enable partners to fill in their self assessment tax returns.
- 1.1.6 The work carried out under this schedule will be in respect of the partnership's tax affairs. Any work to be carried out for the individual partners (for example submitting their own tax returns or making related claims and elections) will be set out in separate schedules.

##### **1.2 Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)**

- 1.2.1 You will be solely responsible for compliance with the International Tax Compliance Regulations 2015 as a result of the USA Foreign Account Tax Compliance Act (FATCA).
- 1.2.2 You will be responsible for compliance with these regulations and any obligations arising from the Common Reporting Standards, including initial categorisation, registration with

the IRS (or other applicable authority) and the filing of annual returns with HMRC.

### **1.3 Excluded, ad hoc and advisory work**

1.3.1 The scope of our services provided to you will be only as set out above, and all other services which we may offer are excluded. If you instruct us to do so, we will provide such other taxation, ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and terms of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work that you may wish to instruct us to undertake include:-

- (a) advising on making tax digital for income tax self assessment (MTD ITSA) which will require digital accounting records and the submission of quarterly updates and annual returns to HMRC using compatible software;
- (b) advising on whether you should change your partnership accounting year end to align with the tax year end and if so helping you to make the transition including claiming overlap relief;
- (c) advising on the in-year capital gains tax (CGT) reporting requirements on disposals of property, and preparing the in-year return and calculating the CGT due where required;
- (d) advising on ad hoc transactions (for example pre-transaction advice on the sale or purchase of assets);
- (e) advising on double tax relief if appropriate;
- (f) dealing with any enquiry opened into the partnership tax return by HMRC; and
- (g) preparing any amended returns which may be required and corresponding with HMRC as necessary.

### **1.4 Your responsibilities**

1.4.1 In addition to your responsibilities as set out in the terms of business, to enable us to carry out our work you agree:

- (a) to provide full details of all UK residential property disposals including associated costs/valuations prior to disposal. Where you consider that a partner will be non-UK resident in the tax year of disposal, full details of all UK property disposals (residential and non-residential) and disposals of shares in UK property-rich companies or UK property-rich collective investment vehicles, or other such entities must be advised prior to exchange of contracts or agreement to transfer shares or units. If information is received after this, we cannot guarantee that we can provide advice on the amount

of capital gains tax due or submit an in-year return within 60 days after the completion of the disposal.

## **1.5 Limitation of liability**

- 1.5.1 Our services as detailed above are subject to the limitations on our liability set out in the engagement letter. These are important provisions, which you should read and consider carefully.